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Majles Sessions

FBIS-NES-93-042-S *5 March 1993*

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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

[ERRATUM: In FBIS-NES-93-020-S of 2 February 1993 in article: "RESALAT Publishes Budget," on page 24, first column, paragraph 8, first sentence should read: $17,932.5 million vice $127,932.5 million.]

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RESALAT Reports on Majles Sessions

* 19 Jan

93AS0573A Tehran RESALAT in Persian 20 Jan 93 pp 5, 12

[Excerpts] Legislative and Parliamentary Affairs Division. The Majles met yesterday chaired by Hojjat ol-Eslam val-Moslemin Rowhani and the deputies from Khomeinishahr, Esfahan, Miyan-e Do Ab, Langarud, and Ardebil gave speeches. Then the deputy speaker gave a speech in which he referred to the blessed life of the seventh imam (peace be upon him) and offered condolences to the survivors of the accident involving two passenger trains. The Majles then took up its agenda.

The only item on the agenda at yesterday's open Majles session was the proposed law to "Nullify the Decrees Issued by the Administrative Court of Justice, in Favor of Landowners in Violation of the Temporary Cultivation Law," of which the general form was approved. We now direct the attention of our esteemed readers to the detailed proceedings of the Majles.

Majles Deputy Speaker's Remarks

During yesterday's open Majles session Dr. Hasan Rowhani offered condolences on the martyrdom of Imam Musa ibn Ja'far (peace be upon him) and then he added: [passages omitted on Rowhani's comments: historical events; train crash; U.S. attack on Iraq; UN position regarding the Palestinian problem, Bosnia-Hercegovina; the West is only interested in profiting from the Persian Gulf]

The deputy speaker of the Majles also noted: The third point of importance in this incident is the matter of the flamboyant so-called defense unions in the area. For what time were the Gulf Cooperation Council and this so-called 6+2 Defense Council formed? When a few Iraqi soldiers went into Kuwaiti territory, why did Kuwait ask America for help first, to have American soldiers cross Kuwait's borders? Then it asked England, then, in the third phase, France. Why weren't these soldiers to defend Kuwait's borders requested from the Gulf Cooperation Council? Why weren't they requested from the 6+2 Union and from Egypt and Syria? These events unveil the reality of these kinds of empty ceremonial and propaganda pacts. Although the truth about these kinds of pacts was clear to us, it is important for the people of the nations of this region to understand better the reality of these pacts.

A fourth point is the fact that the unfortunate condition of the Muslim people of Iraq has caused regret and has affected all of us and all Muslims. It is true that in the last 12 years the oppressed Muslim people of Iraq have always been the victims of the mistakes of the Ba'th Party and Saddam. But the question is, in the last two years, why did the West obstruct victory and salvation for the oppressed people of Iraq, during the course of the intifadah when the people of Iraq were on the verge of victory? Isn't the West itself responsible today for all of these disruptions? The only thing the West feared was government by the people. Should the people of Iraq pay the damages for the West's fear? While we condemn the presence of all foreigners in the region and especially America in the strategic Persian Gulf region, and we condemn their intervention in the internal affairs of the nations of the area, we consider that the only solution to the Iraq problem is true government by the people of Iraq and the establishment of true democracy and the government desired by the people in this country.

Legislation

The only item on the agenda at yesterday's open Majles session was the proposed law to "Nullify the Decrees Issued by the Administrative Court of Justice, which was Issued in Favor of Landowners in Violation of the Temporary Cultivation Law enacted 8/8/1365 [30 October 1986]." (It must be noted that very urgent status for this bill was approved in the previous session.)

'Ali Movahedi-Saveji gave a talk explaining this motion. He said: We have heard the questions of the judicial power headed by His Holiness Ayatollah Yazdi and those who lead the Administrative Justice Court, the National Supreme Court, and the respected national prosecutor. We know these gentlemen and agree with their questions. In view of the information that I have on the issues, I prepared the motion. The entire motion is truly necessary. Several months ago I went to see Mr. 'Abbasifard, the respected chief of the Administrative Court of Justice and explained in detail that the branch administrative justice court is really doing needless work and that the law did not authorize the court to go into these areas. The law authorizes the seven-person councils to make the laws on the matter of temporary cultivation and other areas. Some of the administrative justice branch courts and the respected judges have made mistakes in their verdicts that benefit the landowners, and with this motion we want to prevent these mistakes.

Mr. Movahedi added: Yesterday at a meeting of the respected judicial officials, Mr. 'Abbasifard announced the court's agenda, and that was a defense of this motion, for they are in favor of this motion. Naser Soleymani was the motion's first opponent. In his talk he said:

I am not opposed to the motion, but what I want to say in the Majles is that it should not mean destruction of the judicial power when the Majles is said to be the defender of owners of the land, farmers and seven-person councils while the Administrative Court of Justice defends the landlords. I am opposed to this portrayal and the title of the motion.

'Ali Ya'qubi spoke in support of the motion. He said: If we speak in support of the motion and in opposition to the opinions issued by the Administrative Court of Justice, it is not our intention to destroy another power. These verdicts issued by the court had consequences that were disappointing to the deprived and oppressed people

who are the owners of the revolution. The seven-person councils divided these lands among 150,000 families in 4,000 villages, and this is employment for them. Likewise two letters were sent to His Holiness Ayatollah Yazdi from the office of the exalted leader, which read as follows:

His Holiness Ayatollah Yazdi, Respected Chief of the Judiciary:

With greetings and salutations, the report published in bulletin...concerning the clash and preventing the confiscation of lands, a copy of which is enclosed, was received by the exalted leader. He said: "If the seven-person council, which is an official position in the revolution, gave away the land, what right does a judge have to get involved? What is going on?"

Second letter from the office of the exalted leader:

His Holiness Ayatollah Yazdi, Respected Chief of the Judiciary:

With greetings and salutation, letter number...from the respected president of the republic, including other records pertaining to the problems that have arisen because of the violation of the orders issued by the seven-person councils on the lands of Gonbad and Dasht-e Gorgan, with an addendum written by the respected president of the republic, a copy of which is enclosed, have been received by the exalted leader, and he said: "Mr. Yazdi, respected chief of the judiciary, the tendency by the courts to violate the orders and measures taken by the revolutionary organizations is gradually increasing. I have already repeatedly expressed my concern about this. It is necessary that you personally take on the task of preventing this, and if that is to be avoided, I will take on this task myself."

Seyyed Saleh Zaheri-Khorramabadi spoke in opposition to the motion. He said: The issue is not about protesting and implementing the Temporary Cultivation Law, but rather about dealing with the failure to obey the law on temporary cultivation. Where are you, oh Majles Principle 90? Wake up. In this Fourth Majles we have not yet been able to discuss these problems even one time. The court's opinion does not mean a return to the past. They are not reversing an opinion and putting that capitalist and feudal lord in charge. The opinion was that the procedure must be changed. Why do we act without considering? I am in agreement with the spirit of the law. The words of the exalted leader are before our eyes. Those who have spoken in opposition to the motion have done so in order to get the details corrected.

Qashqavi spoke in favor of the motion. He said: The opponents have accepted the essence of the case and are opposed to the spirit of the motion.

There are two procedures in the Administrative Court of Justice. Some judges cited Paragraph 1, Article 11 of the Court Law, and some cited Paragraph 2. That is, some thought the decision was an administrative one, subject to revision, and this difference in procedure arises in the court itself. The court then raised the issue of a uniform procedure and said it should be based on Paragraph 1. Some decisions are administrative and subject to revision. The issue that the seven-person councils had with Mr. 'Abbasifard and the views of Mr. 'Abbasifard and his judicial assistants was that in order to keep numerous problems from arising with regard to verdicts issued previously, the Interests Discernment Council should solve this problem again.

Another deputy, speaking in opposition to the motion, said: Weakening and insulting is not something that requires a goal. If we come and reject the verdicts issued by the Administrative Court of Justice without studying the cases, what sort of situation is that, and how can the court find the courage to issue more verdicts?

The brothers have mentioned remarks made by the exalted leader. First of all, the exalted leader has done what he himself has identified as religiously lawful, he has ordered that the matter be dealt with and that there be no violation, and he has turned the job over to the chief of the judiciary. I object to the fact that they are making the confidential letters of the exalted leader available to others, and secondly that they are reading them from the Majles podium. These letters must go to the hands of individuals.

Sa'idi was the motion's next supporter. During his talk he said: Why was there no cooperation between the land transfer councils, the legal organization and the Administrative Court of Justice so that matters would not reach that point? Apparently there was, because the respected council of the National Supreme Court answered that the only authority for hearing landowner complaints on temporary cultivation, after the issuance of Uniform Procedure 546 dated 11/30/1369 [29 February 1991] is the Central Staff, not the Prosecutor Courts or the National Supreme Court.

Haj Movahed, deputy from Gachsaran, speaking in opposition to the motion, said: Concerning this procedure that has been adopted and that is being pursued by some of the brothers, they must be aware of the existing problems. We want to solve the problems of farmers. Very good. We must not approve a law here that has problems like some of the other ones, which we have concluded have problems, or it will be rejected in the Guardian Council, then keep coming back to the Majles and finally have to be sent to the Interests Discernment Council. Because we are making use of the exalted leader's remarks and we want to solve this problem, let us solve it in a way that will produce a conclusive result.

Beytollah Ja'fari, deputy from Urmia, spoke in support of the motion. He said: What conflict does this motion have with the sovereignty of the court and administrative justice? It is possible that this motion will strengthen the court and all the organizations that want to implement justice. One of the feudal khans tortured an official

of the Urmia Society of Combative Clergy, and after the triumph of the revolution he fled to Germany.

In the last term of the oppressive monarchy's Majles another of his brothers was elected as first deputy with the help of the government, and you and I are now sitting in his place. When he came back to Iran and filed a complaint and took his land back, wherever we went we could not oppose him. As a deputy of the Islamic Republic, I am not a rival of a rejected and exiled deputy from the time of the shah. Finally we appealed to the child of Fatimeh (peace be upon her) and the exalted leader of the revolution. He ordered the Evin Court to nullify this verdict. This has bad consequences, and these feudal khans must be put in their place.

Mr. Montazeri, deputy minister of justice for legislative affairs, speaking as the government's representative, gave a talk discussing this motion. He said: The essence of this motion is such that it requires that the respected deputies view it with special insight beyond any sort of slogans. It appears to some people that the judiciary and the Administrative Court of Justice sat down and supported a handful of wounded usurper exiles and irreligious feudal khans and tried to put these elements in control of a handful of oppressed people and farmers, when it appears that this is not right.

He then said: All the dear ones want the law implemented. Shouldn't there be an authority that issues opinions? Has the temporary cultivation law been carefully implemeated or not? Where is the authority for this? It is the Central Staff of the seven-person councils. If the Central Staff makes a mistake there is a higher authority, and that is the Administrative Court of Justice. If it is the view of the respected Majles that the opinion of the Central Staff of the seven-person councils regarding temporary cultivation is final (meaning it is not subject to revision), it is not necessary for us to bring a motion before the Majles to nullify the opinions issued by the Administrative Court of Justice. We come and we say that what the Central Staff has done is not subject to revision. The Central Staff itself comes and says that 15 to 20 percent of the opinions of the seven-person councils have been violated. Then we come and say that the opinions and measures of the seven-person councils are final and valid.

The government representative said: If it is the view of the deputies and the Majles that these issues should not be raised in the Administrative Court of Justice, we will not insist on this matter, and this view will be respected by all of us, and especially the judiciary. We therefore do not oppose this motion.

After detailed comments by the minister of agriculture and Mr. Movahedi-Saveji, the general form of the motion was put to a vote and approved.

Seyyed Mohammad Ahmadi, Deputy From Khomeinishahr

I hope that what we have done in four years does not create the impression that the Majles has approved problematic motions and bills, but not motions that solve problems!

The first pre-agenda speaker at yesterday's open Majles session was Seyyed Mohammad Ahmadi, deputy from Khomeinishahr. [passage omitted: situation in Bosnia-Hercegovina, etc., poem]

He added: I hope that what we have done in four years does not create the impression that the Majles has approved problematic motions and bills, but not motions that solve problems, that it approved taxes, but not means. Respected deputies, I take refuge with God under the Verse of Nobility, from the idea that warm seats, and the calm and warm environment of the Majles has created a gap between us and the Majles or has made us unaware of the problems of the people. I believe that they are uninformed about social problems, or they are not informed about society, or they are not in society.

Ahmadi then addressed the deputies. He said: I do not claim that I am closer to the people than all of you, but today I want to discuss some issues in the language of the people.

The reason is that speaking and listening to empty and bombastic talk is no longer acceptable. The people are asking, what thought have the government and the Majles given to dealing with the increasing social problems, the educational problems of youth, the problem of marriage and employment, the high cost of treatment services and public nutrition, the problem of housing and rents, the problem of health care and treatment, the disrupted situation for staff employees and workers, administrative corruption and ostentation, punishments sometimes administered before trial, the undeterminate status of land owners in projects, the heavy cost of free education, and most difficult of all, the complicated tables and taxes in the municipalities?

The abilities of the people must be assessed, and levers of pressure must be reduced, the negative and undesirable effects of the uniform foreign exchange must be opposed so that the year 1372 [21 March 1993 -20 March 1994] will be a year of decreased prices, not a year of more increases. If not, I fear that the revolution will be the appropriate recipient of the verse from the Koran that says "if there is anyone in the house, there is only one thing being said."

In conclusion the deputy issued a memo to the nation's executive officials on the problem of the beltline road and the regrettable education and training situation in his electoral district.

Hasan Kamran Dastjerdi, Deputy From Esfahan

The next speaker was Hasan Kamran Dastjerdi, deputy from Esfahan. [passage omitted: Praises the president and his visit to Esfahan]

Kamran then discussed the president of the republic's remarks concerning the desertification of half of the province of Esfahan. He said: The planning brothers must take this view of the province of Esfahan. It is recommended that in view of the fact that 10 percent of the large industrial factories are in Esfahan, funds must be provided for the environment in Esfahan.

Mohsen Rasi, Deputy From Mian-e Do Ab

All of these imports are not appropriate for the Islamic Republic, that we open the doors of our country to various luxury and consumer goods.

The next speaker was Mohsen Rasi, deputy from Mian-e Do Ab. [passage omitted: Praises Islam, criticizes European culture]

They say that poverty and deprivation are caused by underdevelopment. We believe, and we have been taught by the essence of our cultural learning, that poverty, deprivation and social and economic injustice at various levels of society are the real foundations of development [sentence as published].

To achieve development, we must allocate a significant part of development to economic adjustment. We must not seek industrial development, we must rely on domestic manpower and the powerful will of the people. We must rely on our own creativity and innovation. All of these imports are not appropriate for the Islamic Republic, that we open the doors of our country to foreign various luxury and consumer goods and for our stores to be filled with foreign goods. How long must we permit foreign goods to come into the country, gobbling up our foreign exchange reserves, reducing our production and causing more poverty and deprivation for our committed people?

He noted that only 30 percent of the existing lands in the country are arable, and said: In the production and employment sector, only 6 percent of those working are useful and effective, and 20 percent are in the service sector.

Continuing, the speaker criticized the Ministry of Defense for excessive sugar imports. He said: It would be better to spend half the foreign exchange for these imports to establish a sugar cube factory in our region (Mian-e Do Ab), to make it possible to increase production of sugarbeet sugar cubes. Why is there no investment in a city that has powerful resources and potential? Why is all this importance and priority given to imports? What answer will we give tomorrow to these people and the martyrs?

In conclusion, he asked the government to pay more attention in the nation's second Five-Year Plan to important issues such as alleviating deprivation and creating employment.

Parviz Siqali, Deputy From Langarud

So far nothing has been done in the area of Caspian Sea shipping, and the officials have not made and are not making the least investment in this matter.

Parviz Siqali, deputy from Langarud, was the fourth pre-agenda speaker. In his speech he discussed the situation in the province of Gilan. He said: The province of Gilan is a green region of forests and plains, and with the blue waters of the Caspian Sea it has an area of 15,000 square km and a population of more than 2.3 million. It has religious and devout people who have always been companions and supporters of the Islamic revolution and at the war fronts and in its full support for the combatants, this province, compared to other provinces, has not had the slightest welfare resources in all the period since the Islamic revolution.

The main roads in Qazvin and Rasht and the intercity roads, which are more than 50 years old and that were not and are not suitable for today's volume of traffic, have the highest percentage of fatal accidents in Iran. The shipment of goods from Bandar-e Enzeli and Astara has also increased.

He added: One day Rasht Airport was the best airport and was of top quality. Now it is an airport in name only, and it is closing because of the lack of a suitable access road, sufficient equipment, and a suitable number of flights.

The only entrance and exit route to this province is the Qazvin and Rasht Road, and it still lacks a railroad.

So far nothing has been done in the area of Caspian Sea shipping, and the officials have not made and are not making the least investment in this matter, yet the cities of the province of Gilan and the province of Mazandaran are on the shores of the Caspian Sea. If study and investments were made on a passenger and shipping line with the help of ships, it would be very useful.

He said: Every year there is more than 4 billion cubic meters of precipitation and running water in the province of Gilan, yet throughout the year flooding and water shortages disrupt the lives of the rural people, while the cities and villages of the Province of Gilan are deprived of water for drinking and hygiene.

The Sefidrud Dam is no more than 30 years old, and one of the projects related to it, which covers 25,000 hectares of land in east Gilan, has not yet begun, and the network beneath the Sefidrud Dam is in no better condition.

The cities in the province of Gilan, which are called cities, really do not look like cities. They look like ruins, which are unable to collect and remove waste, have narrow dirt streets and traditional sewage systems, and

that also lack urban passenger transportation systems and have thousands of other problems.

The problem of unemployment for the people of the province of Gilan, which is above the national unemployment indicator and the failure to invest in employing these dear ones is the greatest problem in the area.

Parviz Siqali, deputy from Langarud, discussed the situation in his electoral district. He said: In the municipality of Langarud 50 percent of the rural areas lack electrical power, 70 percent of them lack suitable roads, and more than 90 percent of them lack suitable water for drinking and hygiene.

In conclusion he added: In the entire municipality of Langarud there is not one cultural and artistic complex or one physical education facility, so that a number of young people could be occupied, and we must give attention to their minds and bodies.

Nur ol-Din No'i Aqadam, Deputy From Ardebil

The approval of the Bill To Establish the Province of East Azarbaijan With Ardebil as Its Center created joy, enthusiasm, and delight among the people in the area.

The final pre-agenda speaker at yesterday's open Majles session was Nur ol-Din No'i Aqadam, deputy from Ardebil. In his speech he discussed the approval by the Majles of the general form of the Bill To Establish the Province of East Azarbaijan with Ardebil as Its Center. He said: This generated an unprecedented wave of joy and praise among the people of Ardebil and the municipalities of Parsabad, Bilehsavar, Kermi, Meshkinshahr, and Khalkhal.

The people in the municipalities of the new provinces, who impatiently followed the Majles proceedings on the radio from the first moments of the open session, went into the streets as soon as the general form of the bill was approved and expressed their joy and happiness chanting Hashemi, Hashemi, thank you, thank you, Majles deputies, thank you, Long live Khamene'i. [passages mitted on discussion about more clebrations and words of appreciation].

* 20 Jan

93AS0575A Tehran RESALAT in Persian 23 Jan 93 p 6

[Text] Legislative and Parliamentary Affairs Division. The Majles met in open session last Wednesday and the deputies from Boyer Ahmad, Kuhdasht and Chegini, Shadegan, Sarband and Shazand-e Arak gave speeches. Then deputy speaker Hojjat ol-Eslam Rowhani gave a speech in which he offered congratulations on the mission of the most noble prophet (peace be upon him). Then the Majles took up its agenda.

Deputy Speaker's Remarks [passages omitted on historical religious events]

Seyyed Mas'ud Hoseyni, Deputy From Boyer Ahmad

The first pre-agenda speaker at Wednesday's open Majles session was Seyyed Mas'ud Hoseyni, deputy from Boyer Ahmad. [passage omitted: Praises the Islamic Republic and its leaders]

In conclusion he asked the minister of culture and higher education to cooperate in the establishment of centers of higher education in the Province of Kohkiluyeh va Boyer Ahmad.

'All Emamirad, Deputy From Kuhdasht and Chegini

The backwardness of the province of Lorestan rises from the province's weak and uncoordinated political management.

The next speaker was Emamirad from the Kuhdasht and Chegini electoral district. In his speech he said: Now that the toiling government and the president of the republic himself are seriously at work rebuilding the country and in this regard priority has been given to the deprived areas, understanding is the best tool for success and progress in the work.

Emamirad, discussing the province of Lorestan, said: This province, despite these people and these abundant natural resources as tools for growth and development and skilled manpower, unfortunately cannot be compared with almost any of the other provinces or with any of the nation's ordinary municipality in terms of areas such as animal husbandry, agriculture, industry, roads, education and training, and health care and treatment, and the gap is too wide to cross. Lorestan, with all these abilities and talents, is in a state of absolute deprivation, and this backwardness arises from the province's weak and uncoordinated political management. I hope the reason for it is merely inability and not belief in the lack of coordination with the nation's officials.

The manner of managing affairs in Lorestan is such that the people are saying that our province has become a management training base, and the gentlemen see the province as a platform for advancement. Instead of serving the people and reforming society, they are securing their future political and economic positions.

In rebuilding the province, the president of the republic is expected to give top priority to reviewing and reforming management, because the province's record of competence does not warrant the existing situation. In view of the fact that agriculture is the locus of the nation's independence and the government's plan, it is necessary that I present an expert report on the agricultural situation in my electoral district.

The rich districts in the municipality of Kuhdasht contain about one-third of all the arable land in the Province of Lorestan. According to the research done by the Province Soil Study Center, the soil of the hills in

Kuhdasht is equal to that of the top plains in most parts of the province, and some province experts acknowledge that the soil of this area can compete at the international level.

Unfortunately these fruitful plains, despite being located between two rivers, are burning up with thirst. If this situation continues, the region will turn into a dried and burning plain. Unfortunately, despite the fact that the Sacred Jerusalem Company affiliated with the Ministry of Power is responsible for studying the method of delivering water to them, the studies remain in the preliminary phases due to inattention and the failure to continue doing serious work. Therefore, the route to a practical solution is either for this company seriously to study and continue the studies and get into the action phase, or turn the job over to another active company, because with the use of this much water, about 20,000 hectares [ha] of dry-farmed lands in the region could be irrigated, and if they are used only to grow wheat, for each hectare [text missing] compared to the 1.5 tons of current dry farm production.

The Sacred Jerusalem Company estimates that with pumping, about 60,000 ha of lands in this area could easily be irrigated.

He then addressed the minister of agriculture and the minister of energy. He said: The municipality of Kuhdasht is ready to do everything to improve the agricultural situation. This demands your attention and your high concern, for we can transform its thirsty and burning fields to a green, prosperous and pleasant area through the efforts of a reservoir dam and by pumping water from the two existing rivers.

In conclusion, Emamirad invited the president of the republic to come to the province of Lorestan.

'Ezz Moqadamirad, Deputy From Shadegan

In the first Five-Year Economic, Social and Cultural Development Plan, only 9.6 percent of all developments were allocated to the agricultural sector.

The deputy from Shadegan discussed the preparation of the second Five-Year Plan by the government. He said: In the first years of the Islamic revolution, due to the importance of foodstuffs, the agricultural sector was given great attention, but due to the government's financial incapability because of the imposed war, the government's investment in the agricultural sector was insignificant. For example, in the years 1361 [21 Mar 1982-20 Mar 1983] through 1363 [21 Mar 1984-20 Mar 1985], due to high oil revenues, the government's fixed investment share in the agricultural sector increased, and it reached its highest level in the war years in the year 1363, but after that, with the reduced oil revenues, the government's investment in this sector decreased, and in the year 1367 [21 Mar 1988-20 Mar 1989] it reached its lowest level in the time since the Islamic revolution.

Despite the fact that agriculture was considered the key to development in the first Five-Year Economic, Social and Cultural Development Plan, only 9.6 percent of all developments were allocated to this important and infrastructure sector. Therefore, to compensate for this deficiency, it is proposed that in the second Five-Year Plan a greater share of the development budget be allocated to the agricultural sector as the provider of food and strategic goods, and with careful planning and serious and continuous supervision, the obstacles causing stagnation in the development of this vital sector can be removed.

Here it is necessary that we review some of the main problems in this sector.

A. The lack of sufficient means for living in the rural areas, which are the center of agricultural activity, compared to the urban areas, which are places for service and industrial activities.

B. The efficiency of agricultural compared to other sectors, in the sense that in the work activities a significant share of the profits reach the work force, but in labor-saving activities, most of the profit goes to the capital and is used for new investment.

Therefore, in order to increase investment in the agricultural sector, in addition to removing the obstacles, the profitability and confidence in this sector must be increased compared to the nation's other economic activities to prevent the flight of capital and specialized labor from the rural areas to the urban areas.

The productive role of the tribal and rural peoples in the animal husbandry and animal products sector is no secret to anyone, and in this regard it can be said with certainty that these very people produce most of the meat and oil consumed by the urban residents, as well as the raw materials for the nation's carpet and hides industries.

Today, tribal and rural animal husbandry worker must gradually turn from tradition to industry and from the old to the new in their production methods, because it is inevitable not only that he must bid farewell to illiteracy, but also that he learn the fundamentals of the science and technology pertaining to agriculture, growing feed, pasture keeping and other similar things.

This is one area where in writing the second Five-Year Plan the government can fulfill a great social responsibility by designing a gradual system of job training, and based on realistic policies with a view to all the factors and realities of the time, it can act in such a way that tribal and rural animal husbandry workers can get somewhere in the framework of the nation's evolution and economic development, and can make a significant contribution to the gross national product in fulfilling their production, social and cultural role. He added:

So far the credits allocated in the education sector have not been at all sufficient in this regard. It is therefore

appropriate that the government and the Majles pay special attention to this matter.

The deputy from Shadegan discussed his electoral district with reference to the region's special geographic position, and emphasized the creation of paper mills, "contacs" [as published] factories, pasteurized milk factories and related industries.

In conclusion, he asked the governor general of Khuzestan, in view of the recent flood and the major damage done to several rural areas, to study the damages and to take steps to procure the necessary credits.

Reza Astaneh, Deputy From Sarband and Shazand

Reza Astaneh, deputy from Sarband and Shazand, was the final pre-agenda speaker. In his speech he discussed the study of the National Budget Bill for 1372 [21 Mar 1993-20 Mar 1994] by the Majles. He said: The increase in the budget compared to the year 1371 [21 Mar 1992-20 Mar 1993] is equal to the nation's Five-Year Plan in the years 1360 [21 Mar 1981-20 Mar 1982] to 1364 [21 Mar 1985-20 Mar 1986], or more than 25,000 billion rials, and the increase in the volume of the 1372 Budget over the year 1360 is more than 53,000 billion rials. The budgets for former years, in view of the fact that their volume is much less than that of the budget for the year 1372, were studied more carefully both in the commissions and in the open Majles. In view of the special characteristics of the 1372 Budget and the important issue of changing the foreign exchange rate, the allowed period of one week, meaning until 11 Bahman [31 January], to study the entire budget and about 60 notes, appended notes and the views of the respected Guardian Council, is a small and insignificant amount of time.

Studying hundreds of proposals, listening to remarks by those favoring and opposing the proposals and the comments of the Budget Commission expert and the government's views concerning the proposals needs more patience and determination. Now I do not know how the brother and sister deputies are going to sit listening with all ears morning noon and night in order to be able to make a decision acceptable to God and to vote.

With regard to the extraordinary size of the budget, what I see is excessive haste and speed in the study of the budget. I therefore recommend to the respected speaker's council and the respected deputies that we not sacrifice quality for speed and that we at least extend the period for studying the budget in the open Majles sessions.

Let us remember that after the final approval of the budget, what will be more in need of evaluation will be the law approved by the Majles. Don't let them say later in answering the memos, speeches and views of the deputies, that you yourself enacted the legislation.

Legislation

Proposed Law Making Decisions by the Seven-Person Land-Transfer Councils Not Subject to Revision

The first item on the agenda at Wednesday's open Majles session was the report from the second consultation of the Proposed Law Making Decisions by the Seven-Person Land-Transfer Councils and Their Central Council Not Subject to Revision or Cancellation by Judicial Authorities With Regard to Land Under Temporary Cultivation, of which Article 1 was approved by the deputies.

Article 1: The opinions of the central staff and the seven-person land councils, which are issued under the Special Temporary Cultivation Law and its notes, which was approved by mandatory order of the Interests Discernment Council, are final and obligatory and not subject to revision by the judicial courts, and all the opinions issued concerning the Temporary Cultivation Law and its executive guidelines by the various judicial authorities, including the Administrative Justice Court, against the opinions of the seven-person land transfer councils and their central staff, are void and without effect with regard to the implementation of the aforementioned law.

Bill Forming the Iran Foreign Investments Company

The second item on the agenda was the report from the second consultation of the Economic and Administrative Affairs Commission concerning the Bill Forming the Iran Foreign Investments Company, of which Article 1 and its notes were approved as follows:

Article 1. In implementing Article 2 of the Charter of the Iran Investment and Economic and Technical Assistance Organization for the purpose of investment and cooperation with legal entities and persons in the production, industrial, mining, commercial, financial and service units outside the country, the Iran Foreign Investments Company, which will be referred to in this law as the Company, is to be formed.

The Company has an independent legal identity. All the shares of this company belong to the government, and it is exempt from all the general government laws and regulations, and any regulations to which it is subject must be mentioned by name. Cases not anticipated in this law and in the company's charter are subject to the regulations of the Punishments Law.

The preliminary capital of the company is 10 billion rials, divided into 1,000 shares of ten million rials, and will be procured from the shares that are held by the Investment and Economic and Technical Assistance Organization. Increasing or decreasing the extent of the investment will be done with the approval of the company's General Assembly.

The members of the company's general assembly will consist of:

1. The minister of economic and financial affairs, who will be president of the general assembly.

2. The minister of commerce.

3. The minister of foreign affairs.

4. The chief of the Plan and Budget Organization.

5. One of the ministers of industry, to be chosen by the president of the republic.

6. The minister of the reconstruction crusade.

Note 1. The Council of Ministers may make decisions about transferring to this company the government's shares and the units affiliated with the government in foreign companies.

Note 2. The value of the government's shares and of the units affiliated with the government in the investments made outside the country, which are transferred to this company will be determined based on the method of evaluation proposed by the minister of economic and financial affairs and approved by the company's General Assembly.

Note 3. The company is authorized, with the approval of the general assembly, to deposit up to 50 percent of its special annual profits into its accumulated investments account to meet investment expenses. The portion of the company's special profits that is allocated to meet investment expenses in the implementation of this note with the approval of the General Assembly is exempt from income taxes.

Note 4. The company's charter, as recommended by the minister of economic and financial affairs and approved by the National Administrative and Employment Affairs Organization, will be approved by the Council of Ministers.

Motion To Amend Article 16 on Majles Elections Regarding War-Afflicted Provinces

The next item on the agenda was the proposed law to amend Article 16 on Majles elections regarding war-afflicted provinces, which was presented as an urgent motion.

Amendment to Article 16 on Majles Elections Regarding War-Afflicted Provinces:

Article 1. Fifth-term elections in the war-afflicted cities of Abadan, Khorramshahr, Qasr-e Shirin, Mehran, Dehlora and Dasht-e Azadegan will be held only in those same cities.

Note—The midterm elections to the fourth term in these cities will be held only in the related province.

After comments by opponents and supporters, the urgent status of the motion was put to a vote and approved.

Report on the Liquidation of the National Budget for the Year 1369 [21 Mar 1990-20 Mar 1991]

The final item on the agenda was the Report on the Liquidation of the National Budget for the Year 1369, which was read by Beytollah Ja'fari, expert from the Accounting Court Commission, the most important parts of which are as follows:

Of the 900 recognized government companies in the year 1369, only 272 government companies, banks and profit-making institutions affiliated with the government were reflected in the 1369 Budget, and the names and budget figures for 628 government companies were not mentioned in the Budget.

The report from 'Ali Kamyar, chief of the Majles Accounting Court Commission on the liquidation of the 1369 National Budget, which is considered the first budget liquidation report in the years since the revolution, while stating these things, says: The revenues of the government companies, banks and profit-making institutions affiliated with the government mentioned in the 1369 Budget were 4,594,797 and 40 billion rials, respectively, and their expenses were 4,657,910 and 28 billion rials, showing a collective loss of 164 billion rials. The government companies lost 63 billion rials and the banks lost 113 billion rials, and only the profit-making institutions affiliated with the government made a profit of 12 billion rials.

According to this report, based on the Budget Law, the revenues and costs of the government companies were expected to be 4,594 and 4,657 billion rials, and in reality they were 1,983 and 2,114 billion rials. Likewise the revenues and expenses of the banks were expected to be 797 and 910 billion rials in the law, and in reality they were 1,024 and 957 billion rials. The revenues of the profit-making institutions affiliated with the government were expected to be 40 billion rials under the law and in reality they were 27 billion rials.

Part of this report states: The managers of the 126 government companies and the six banks submitted their financial statements at the prescribed time, but they were not approved by the appropriate competent authorities, while losses of 13 billion rials were expected in the law for the 127 government companies. Based on the performance accounts the losses were 138 billion rials, and according to the accounting reports, the losses were 134 billion rials. Likewise, in accordance with the figures in the 1369 National Budget Law, losses of 120 billion rials were expected, while in practice not only did this loss not occur, there was also even a 30-billion-rial profit. The difference between the loss expected in the budget and the profit obtained was mostly due to the change in direction in the nation's general economic policies, and it shows planning mistakes in the banks.

Based on the report from the Accounting Court Commission, no kind of financial statement was presented

for 65.63 percent of the expected revenues of the government companies (which have budget figures). Likewise, no financial statement was presented for 17.1 percent of the expected revenues of the banks or for either of the two profit-making institutions affiliated with the government (the National Industries Organization and the Ports and Shipping Organization). Consequently there are no accounts for a total of 58.52 percent of the total expected revenues of the government companies, banks, and profit-making institutions affiliated with the government.

Another part of this report states: Financial planning and the use of financial leverage in the government companies, banks and profit-making institutions affiliated with the government are arranged and implemented logically. Based on the Budget Law, 309 billion rials in reserves and savings was expected to be used., along with assets of 114 billion rials, 361 billion rials from the banking system, other domestic loans in the amount of 51 billion rials, general revenues of 196 billion rials, and other assets of 266 billion rials, yet the actual use as stated in the accounts was 931, 88, 680, 462, 192 and 222 billion rials.

Based on this report, the comparison of the expected and actual expenditure of funds in Iran's government companies shows a difference such that the expected expenditures were 1,305 billion rials and actual expenditures were 2,438 billion rials, and this is questionable and can be disturbing for the planning system.

Another part of the aforementioned report states: In comparing the revenues expected in the law with the revenues received, only 99 percent of the tax revenues, 70 percent of the revenues received from the government's inheritance and ownership monopoly, 58 percent of the revenues received from the sale of goods and services, 95 percent of the other revenues (other than from the sale of foreign exchange), 39 percent of the use of domestic loans and 84 percent of the returns from previous years were realized. On the other hand, 104 percent of the oil and gas revenues, 118 percent of the allocated revenues and 249 percent of the expected foreign exchange sales were carried out.

This report adds: The total current expenses allocated to the organizations and centralized budget rows in the year 1369 was more than 2,191 billion rials, of which financial statements were presented for only 1,668 billion rials, and no financial statements were presented for the remaining 523 billion rials. Likewise, current credits for the provinces was more than 1,314 billion rials, of which financial statements were presented and payments were made at the designated times for 1,295 billion rials. Thus, accounting statements were received for an unpaid total of 639 billion rials of the centralized and province current credits. In the law the current credits in the organizations show 2,191 billion rials and are shown on the accounting statement as 3,256 billion rials, which indicates a great difference.

Majles Notes

During the Budget Liquidation Report presented by the expert from the commission, Engineer Jamali announced a guideline warning pertaining to the convening of Majles commissions in the Majles itself, and in explaining that he said: These days the Budget Commission meets outside the Majles, and I believe this is a violation. I ask the speaker of the Majles that these meetings take place in the Majles itself so that some of the deputies who wish to attend can take part in these meetings. The speaker of the Majles said in explanation: This notice does not have to do with this session. The commission found a more secluded place to do its totals, and we will give this notice to the members of the commission.

*** 23 Jan**

934S0602A Tehran RESALAT in Persian 24 Jan 93 pp 5, 6, 15

[Text] Legislative and Parliamentary Affairs Division. The Majles met in morning, noon, and evening sessions yesterday chaired by Hojjat ol-Eslam val-Moslemin Nateq-Nuri. In yesterday's morning session, first Mr. Majdara, an expert from the Plan and Budget Commission, gave a report on the characteristics of the Budget Bill for 1372 [21 Mar 1993-20 Mar 1994]. Then supporting and opposing deputies gave speeches and discussed the general form of the bill. We now direct the attention of you, our esteemed readers, to the full proceedings.

Budget Commission Expert's Comments

After seven years, for the first time the foreign exchange budget has been removed from the government's Budget Bill in the 1372 Budget.

Majdara, an expert from the Plan and Budget Commission, gave a report on the Budget Bill for 1372 [21 Mar 1993-20 Mar 1994]. He noted that next year's budget has been studied and discussed in 66 sessions of the commission and tens of meetings by working groups attended by experts and officials from the relevant organizations, as well as the Majles specialist commissions. He listed the features of the 1372 Budget as follows:

1. Efforts to determine true and collectible foreign exchange revenues, which will reduce the ceiling on the government's submitted budget.

2. To raise the confidence indicator in the balance of payments and to assign responsibility to the allocation committee, credit for the three-month allocations has been given based on the performance of revenues from the self-regulating domestic and foreign system.

3. Measures to reduce foreign exchange commitments by using the best distribution method for foreign exchange revenues, so that the 1372 National Budget will have a positive balance of payments compared to the past.

4. Giving priority to development credits compared to current expense credits and giving special attention to half-finished projects and projects that will yield a quick return.

5. Giving special attention to increasing credits for deprived areas in order to establish social justice.

6. Special attention to the education and training, higher education and manpower training sectors, providing the credit necessary for the final phases of studies, and emphasizing that in Note 29.

7. Providing the foreign exchange needed to procure basic goods and necessary services to protect the vulnerable classes from excessive price increases.

8. Requiring the government to supervise and control prices by evaluating the prices of products from companies under the government's mantle, requiring sellers to affix price stickers, and prosecuting violators through the judicial authorities.

9. Increasing the credits in Notes 3 and 4 for employment, production, and providing the needed services.

10. Alleviating the problem of the lack of the necessary credits to prepare housing land for former prisoners of war and providing low-cost banking system resources for procuring housing, especially housing for those who have sacrificed, and building dormitories in the government and nongovernment universities.

11. Procuring the necessary credit for electrical power projects in more than 1,000 rural areas, in addition to the electrical power projects provided in the government's bill.

The expert from the Plan and Budget Commission added: In next year's budget there are two kinds of change. One is the numeric and rial changes in the budget's figures, and the other is the quality changes and changes in policies in some of the proposed budget's notes.

He discussed the fact that next year's budget presented by the Plan and Budget Commission to the Majles is estimated to be about 54,132.9 billion rials. He said: The same figure for the year 1371 [21 Mar 1992-20 Mar 1993] was 28,912.1 billion rials, which indicates a growth this year of 87.2 percent.

The amount of 24,959 billion rials from the national budget's credits makes up the government's general budget, and compared to the current year's figure, which was 12,451.1 billion rials, this figure has increased 100 percent.

The figure for the general budget includes 1,719 billion rials in expenditures from allocated revenues, and the growth in allocated revenues for next year will be more than 74.5 percent.

The budget for government companies, profit-making institutions affiliated with the government and banks, which has grown 93.6 percent compared to that of the year 1371, is estimated at 34,811.7 billion rials, of which 30,439.8 billion rials is for government companies, 933.5 billion rials is for profit-making institutions affiliated with the government and 3,438.5 billion rials is for the banks.

Continuing, Mohammad Majdara, expert for the Plan and Budget Commission, described the basic characteristics of the budget for the year 1372 as follows:

1. The most important characteristic of the 1372 Budget Bill is the severe drop in the budget deficit and the elimination of government borrowing from the banking system, which has been achieved for the first time in 25 years.

This will constitute the most important financial accomplishment of the first Five-Year Plan. In view of the fact that if we have reduced borrowing to zero there is the possibility that they will go from the companies to the banks and also use credits and financial instruments from the banks, making it possible that we will transfer the borrowing from one place to another, the Plan and Budget Commission has given much emphasis to the meaning of this, and to this end some of the notes have been written in such a way as to give the real meaning of the word "borrowing." The Plan and Budget Commission, in view of this goal, has made basic changes in the relevant notes which pertain to company loans.

It is clear that the true realization of this goal will be complete and comprehensive when the use of bank means by the companies is accompanied by the rapid repayment of loans.

2. With regard to the plan's important policies, the creation of adjustments in the market for goods, services, and economic resources is a goal for which, in accordance with this policy, price adjustments, especially in the market for economic resources, meaning foreign exchange, capital and manpower, must be made. In the implementation of this policy, in the past under the first Five-Year Plan the government has taken basic steps, including allowing the rate for foreign exchange obtained from nonoil exports to float, exempting exporters from submitting foreign exchange contracts, making it possible to import goods without transferring foreign exchange, making it possible to procure foreign exchange at prices close to the market for government resources, issuing authorization to open money-changing offices, unifying the rates for preferred and competitive foreign exchange to reduce the number of rates for foreign exchange, adjusting wages and the bank profit rate for credits, reforming the prices for some basic goods and services such as water, electricity, fuel, transportation of freight and passengers, communications, postage and other things, the elimination of price setting for many agricultural and industrial goods, especially that group for whose production government foreign exchange is

not used, and the approval of guaranteed prices for agricultural goods to prevent losses to farmers in the event that the adjusted prices for these goods drop.

All of these measures taken together are effective steps to make adjustments in the markets for foreign exchange, manpower, capital and basic and consumer goods and services. After seven years, for the first time the foreign exchange budget has been removed from next year's budget, and with the end of the system of rationing foreign exchange, the budget figures will be calculated based on the floating foreign exchange rate, which is based on market supply and demand for foreign exchange. However, to prevent the likely transfer of the effects of inflation as the result of this, items such as basic goods, drugs, defense items, oil byproducts and student foreign exchange have been exempted, and the foreign exchange needed for these things in the year 1372 will be allocated at this year's rate.

3. Taking inspiration from the guidance of the exalted leader, the Plan and Budget Commission will pursue the study of the government's Budget Bill around four basic areas.

The first is making logical the revenue estimates in the bill, especially oil revenues, the second is the application of greater economy in current expenses and the procurement of the credits needed by the development projects, the third is attention to cultural and educational affairs, and finally the provision of the necessary mechanisms to prevent the transfer of increased price pressures to the vulnerable classes of society.

Mohammad Majdara added: The Plan and Budget Commission is proud that three times during the study of the 1372 Budget it had the honor of meeting with the exalted leader and to the extent possible it was able to implement the main points of one of his guidances in the Budget's figures, rows and notes.

In the distribution of revenues, the bill provides for 5,419.7 million rials in tax revenues, and this matches the goals specified in the first Five-Year Plan, which was estimated at 8.4 percent of gross domestic product in 1372, precisely the figure given in the budget. Therefore no change was made in the commission.

Despite this, one must note that there is a relatively wide gap between the makeup of next year's tax revenues and the makeup specified in the first Five-Year Plan, of which 60 percent is direct taxes and 40 percent of which is direct indirect [as published] taxes, and we hope that the Ministry of Economic and Financial Affairs and the government will reconsider this makeup of direct and indirect taxes.

Continuing, Majdara noted: Oil revenues estimated in the Plan and Budget Commission's proposed Budget Bill have been made in view of factors such as the international supply and demand for oil, the average price of oil based on the estimated revenues of other oil-exporting nations, Iran's production quota in OPEC, the nation's production and export capacity, the level of domestic consumption and the nation's refining capacity.

In this regard it is necessary to mention that the amount of exports expected is about 6.5 percent less than the figure given in the budget approved for 1371, and the expected price of oil is also about 3.5 percent less than the average price of Iran's export oil during the first 10 months of the current year [21 Mar 1992-20 Jan 1993].

Mohsen Yahyavi, Opposing

Yahyavi, deputy from Tehran: One of the damages caused in the 1372 Budget is the spread of programs without the power to close them.

The first opponent to the general form of the 1372 Budget Bill was Mohsen Yahyavi. During his talk he discussed the fact that in preparing the nation's budget, revenues must be carefully determined. He said: After explaining and determining real revenues we must designate the planning priorities that will guide us towards the designated goals, and allocate revenues to programs, projects and undertakings, observing the designated priorities.

Explaining this, he said: In the 1372 Budget I do not see any of these things fully expressed. He said: With regard to correctly estimating revenues, revenues that can be realized, unfortunately no proper criterion has been adopted by the Plan and Budget Commission. On behalf of the Oil Commission, I gave the brothers the nation's achievable levels of oil production and export. In view of world oil market conditions, the oil revenues we can achieve in the year 1372 are almost $2 billion less than the figure in the proposed bill.

He added: In view of the fact that we have about $1.2 billion in oil presales, we can expect about $3 billion less in oil revenues than the amount given in the government's bill. In this regard, in the joint meetings we had with the leaders of the Oil Commission, the Plan and Budget Commission and the Economic and Financial Affairs Commission, we finally came to the conclusion that reliable revenues for the year 1372 would have to be reduced 10 percent compared to the Budget Bill for 1372. Likewise the president of the republic, after hearing the reasoning of the deputies taking part in the three commissions, accepted the fact that we should reduce the budget by 5 percent.

Yahyavi explained that in the 1372 Budget Bill, instead of relying on logical numbers and figures, a series of false suppositions are used. He said: The expert from the Plan and Budget Commission says that to determine the amount of the nation's exports, the sales figure of 2.8 million barrels, which was set for the year 1371, was used.

I have said many times that so far our average has been less than 2.4 million barrels in oil exports. In these recent months, when we should have had the most sales, including the last days of the month we had exports of

about 1.5 million barrels. Therefore they have decreased the figure of 2.8 million barrels for oil exports by 6.5 percent and have made that the basis of next year's exports.

Continuing, the speaker mentioned that by the end of the year 1372 [20 March 1994] the nation's production capacity will reach 4.5 million barrels. He said: Despite our production capacity, any kind of revenues higher than what has been accepted by the Oil Commission, the Plan and Budget Commission and the Economic and Financial Affairs Commission will be unrealistic and will have bad effects for the country.

He added: The expert from the Plan and Budget Commission said that they reached agreement on these amounts with the Economic and Financial Affairs Commission, yet it is not realistic, because the Economic and Financial Affairs Commission reached an agreement with the Oil Commission and until the moment of entry into the open Majles there had been no such agreement. If we predict unrealistic revenues, we will harm the country in numerous ways. One of the damages is the spread of programs without the ability to close them. That is, we begin and fund numerous projects, and since we do not have the ability to provide them with a sufficient budget, the projects remain incomplete and after time passes, we will lose the work done without benefiting from the capital expended on the land.

Continuing, the speaker emphasized the fact that it is the responsibility of the Plan and Budget Commission to take a comprehensive look at the programs and then to make that compilation, which is its responsibility. He explained: We do not see this compilation in the work of the commission. He explained: In my view this bill should be returned to the commission to be dealt with as it can and should be. Any spending we do now is done with an assumption. Our debts for the year 1372 are $19.7 billion. That is, if we allocate all of our foreign exchange revenues to repaying the nation's debts, it would still be too little.

In conclusion, he emphasized: In conclusion, I say that this budget has been completed unrealistically.

Mohammad Baqer-Nowbakht, Supporter

Nowbakht, deputy from Rasht: For the first time, in the 1372 Budget we have limited the foreign exchange budget and have given attention to the policy of establishing a uniform foreign exchange rate.

The first supporter of the 1372 National Budget Bill was Mohammad Baqer-Nowbakht, deputy from Rasht. In his speech he said: The legislation that I am defending is the result of various and sometimes unique reports. On the one hand the special commissions that investigated revenues took the view that for the sake of greater caution we should set the budget at a lower ceiling than that proposed by the government, while the specialist commissions all wanted to increase the ceilings on current expense and development credits for the organizations covered in the budget. On the other hand, the deputies, with their commitments to their electoral districts, requested increased budget ceilings for their electoral districts. On the other hand, the respected government took the position that what it proposed was the result of expert work and that it is appropriate and just that these ceilings be preserved. Yet the special government organizations that were invited to the meetings of the Plan and Budget Commission and the Economic and Financial Affairs Commission all wanted to increase their credits. Yet the Plan and Budget Commission, in accordance with the responsibility it has, compiled the final budget and there is no other way.

Continuing, Nowbakht then added: The Budget has three elements: 1. Revenues; 2. Expenses; and 3. Policies. Revenues as such will be obtained from three sources, for the year 1372 or other years: 1. Tax revenues; 2. Oil revenues; and 3. Other revenues the government can create. With these three sources, we were able to study the budget item by item.

Tax revenues for 1372 have been estimated at about 5,419,657,383 rials. Is this figure too high or too low? I believe that it could be even a few percentage points higher than this. In the first Five-Year Plan we stipulated that the share of tax revenues must reach 8.8 or 8.4 percent in the year 1372, while it has now reached 8.2 percent. Therefore, based on these tax revenues I believe that this figure is not excessive and can be achieved. Since we raised taxes approximately 4 percent, I do not believe that we must collect [?] percent more taxes from the very people who paid taxes this year, no matter what they paid. I believe that with this tool we have authorized only 1,500 hirings this year, although Note 60 of the 1364 [21 Mar 1985-20 Mar 1986] Budget Law prohibits hirings, but despite this we issued this authorization.

Concerning oil revenues, he said: In this regard we must emphasize two barometers, the amount of oil exported and the amount of oil produced, and the figure expected next year for each barrel. Concerning the amount of oil produced, in view of the existing resources, we have taken into account the addition of a new refinery in the next few months to our total oil refining and producing resources, and the totality of our conditions. The figure the government designated is achievable, but to allow for worldwide conditions, for the sake of caution we have even anticipated 50,000 barrels less per day than the ceiling expected by the commission.

Concerning the price per barrel of oil, in view of the fact that future conditions are determined, we have even used the pessimistic options and have still set a minimum per-barrel price of 20 cents less than that recommended by the government, and will have oil revenues of around 637 billion rials less than the ceiling expected by the government, or approximately 5 percent less.

The deputy from Rasht then added:

In 37 cases we have observed the views of the deputies and the specialist commissions. We were not able to put all of the views of the specialist commissions in the proposed bill. We have increased the proposed ceilings in the government's budget by about 50 billion rials in agriculture, 35 billion rials in water and sewage, and about 15 billion rials for the deprived areas and education and training and higher education.

Regarding revenue reductions, he said: In the commission we eliminated two credits that we had in the current expense budget, so that the organizations would be obliged to collect themselves, and we even left the development budget alone to the extent possible. What was reduced in the commission was current expenses, which was about 282.722 billion rials, and also development expenses, which were about 150 billion rials, half of which can be given attention. We felt that by doing this we could implement the exalted leader's idea, God willing, about guiding the executive organizations towards economy and avoiding ostentation.

Elsewhere in his talk, Mohammad Baqer-Nowbakht said that one of the Budget Bill's characteristics is establishing a uniform foreign exchange rate for government organizations. He said: In the 1372 Budget, for the first time since 1363 [21 Mar 1984-20 Mar 1985] we have limited the foreign exchange budget in Note 29. That is, while we have implemented the uniform foreign exchange rate policy, we have tried not to have this be part of the economic adjustment. For this reason, while the executive organizations have been given 100 tomans for each dollar, in the Note 22 row we said that if an organization lacks 100 rials of the value of the dollar, the dollar will be given to it at at least two-thirds of the price. We must have a policy to avoid harming the vulnerable classes, we have also said in Note 29 that for basic goods and necessary services such as fuel, defense and student foreign exchange, the price of foreign exchange will be seven tomans.

Continuing his statement of support, the member of the Plan and Budget Commission said: Although we were unable to adopt the views of the specialist commissions, we did an important thing for which I know you will praise the Plan and Budget Commission and the government. We were able to deduct at least $4.4 billion from the commitments that we made in the first years of the Five-Year Plan under Note 29 and that were to have been used by the executive organizations in the form of usance and buy backs.

Another thing we did that certainly will be affirmed by the deputies was to require the government to control prices in the year 1372. We are against price setting. Basically, under the economic logic we have, there can be no price setting, but can't prices be controlled? Must prices be left to the producers and sellers, to be changed in any way they wish? The government was required, with the resources it has, to require sellers to use price stickers.

Khoda Karim Jalali, Opponent

Jalali, deputy from Firuzabad: In the 1372 Budget Bill no kind of credit has been given to the agricultural sector and to natural resources and water.

Khoda Karim Jalali, deputy from Firuzabad, was the second opponent to the 1372 Budget Bill. In his statement of opposition he said: Among the important points in the Budget Bill, which must be noted, is the fact that more than 60 percent of the nation's revenues are spent on current expenses. Of course, during implementation some development costs are also added to the current expense share. The question is, do the nation's executive organizations implement the system and the people? When studies conclude that the amount of useful work done by a staff worker in the administrative system is about two hours per day at best, shouldn't some thinking be done about a solution to the excessive manpower in the government organizations and companies?

He added: The excessive waste in government ceremonies, the private use of government resources, especially in the government companies, and the holding of numerous seminars of little use are a burden that is added every year to the nation's current expenses, and if we can reduce current expenses by 20 percent, many deprivations, especially in the deprived areas, will be alleviated.

He explained that the 1372 Budget is at variance with the Five-Year Plan. He said: Although the respected government has observed many of the policies in the Five-Year Plan, it has not paid attention to some points, which in my view are important. Clearly, if the government considered parts of the plan impossible to implement, it should have asked the Majles to amend it, and no amendments have been made to the following points:

1. Based on the policies of the Five-Year Plan, during the Five-Year Plan the volume of currency in circulation was to increase an average of 8.2 percent per year, while during the period of the Five-Year Plan currency in circulation has actually grown an average of at least 20 percent.

2. The inflation rate, or the growth in the price indicator for consumer goods and services during the Five-Year Plan, was to decrease from about 28.5 percent per year in the year 1368 [21 Mar 1989-20 Mar 1990] to 8.9 percent in the year 1372, although based on official statistics inflation has risen to more than three times the expected rate in the year 1372.

3. In the Five-Year Plan's quantitative goals, the share of tax revenues in the nation's total revenues was to increase from 47 percent in the year 1368 to 49.4 percent in the year 1372. Although establishing the uniform

foreign exchange rate has disrupted some of the calculations, this policy, under which we would be able to meet most of the nation's expenses through taxation, especially direct taxation, would be an important step in the direction of social justice. This policy has not been observed in the Budget Bill and the share of taxes in the Budget Bill is about 23 percent.

4. Based on Note 35 in the Five-Year Plan the government should have submitted the Budget Bill to the Majles no later than 15 Azar [6 Dec], and its submission was delayed until 24 Azar [24 Dec], effectively cutting 16 percent of the time for studying the bill in the Majles.

5. Based on Note 37 in the Five-Year Plan, the Economic Council was required to designate an authorized network to distribute goods at the wholesale and retail levels in such a way that goods would be circulated at both levels with only one intermediary. The elimination of intermediaries is one of the ways to fight the high costs of goods, and both producer and consumer will benefit from it. Unfortunately, for many goods, the broker makes up to several times the profit the producer makes and pressure is put on the consumer, and we see little about this in the Budget Bill and in the performance of our government. The matter of supervision, lack of control, and price supervision is also such that everyone sets the prices of goods according to his own taste and this puts more pressure on the people, especially the deprived and the oppressed.

6. Despite the fact that the 1372 Budget Bill is the final budget bill in the Five-Year Plan, so far from the source set in Note 4 of the Five-Year Plan in the 1372 Budget Bill no kind of credit has been given to the agricultural sector and to natural resources and water, and there is not even any mention of the executive mechanism for this note anywhere in the Budget Bill, yet when the Five-Year Plan was being studied, this note was included as a policy to protect the agricultural sector, and priority for the agricultural sector compared to the other sectors was expressed in this note.

7. Despite the efforts and the concern of the National Deprived Areas Office, due to the annual shortage of credits, Note 5 in the Five-Year Plan has not been achieved and many of the deprived areas that were without sound drinking water, water, roads and educational resources at the beginning of the plan remain in deprivation.

8. An important and basic issue is the supervision of the performance of the Five-Year Plan, which must be addressed in the budget bills, and decisions on the allocation of credits must be made based on the strengths and weaknesses of what has been accomplished. So far unfortunately the Plan and Budget Organization has not acted on Note 34, and in practice an evaluation of the plan's performance based on the years of the plan has not been possible, and every organization has been able to report on its performance based on its own decision.

Hoseyn Sobhani-Nia, Supporter

Hoseyn Sobhani-Nia, deputy from Nishabur: Special attention has been given in the 1372 Budget to employment and positive investment in industry, agriculture, and mines.

Hoseyn Sobhani-Nia, deputy from Nishabur, was the next supporter. In his talk he said: To support the overall national bill is not to defend all its details, and there may be objections to some of the notes or rows. In general, however, since in the general direction of the 1372 Budget there is movement towards reform and towards achieving the goals of the Five-Year Plan, I support it. [passages omitted on the specifics of the 1973 budget]

He added: One of the basic things we must do in the Fourth Majles is to eliminate duplicate organizations and consolidate the government's administrative organizations inside and outside the country. It is the responsibility of the Majles to prevent these malfunctions by making laws.

He mentioned the decline in the budget for the Ministry of Foreign Affairs, and said: We must pay more attention to the credits for the foreign policy organization. Unfortunately, in its overall reductions in credits for the 1372 Budget, the Plan and Budget Commission reduced the budgets for the various organizations from 2.0 to 4.5 percent, and with regard to the Ministry of Foreign Affairs it made reductions of 5.8 to 6.0 percent, meaning it reduced the credits of the Ministry of Foreign Affairs by about 1 billion tomans. Some of these credits are current expenses, and if they are reduced, we will have to close our offices outside the country.

Eman Narimani, Opponent

Eman Narimani, deputy from Eslamabad: One of the weaknesses in the 1372 Budget is the allocation of an inadequate budget for Kermanshahan Province.

Eman Narimani, deputy from West Eslamabad, was the third opponent to the Budget Bill. [passages omitted: General criticism, discusses difficulties of Kermanshahan Province, and considers the new budget weak in the area of agriculture]

Our region is adjacent to the enemy and much cultural work must be done there. Now how much has been allocated to this area? About 649,562 rials. This is absolutely incomparable. These figures do not amount to anything for treating the pain there. Concerning education and training, currently, by the end of the year 1371, there will be a shortfall of 11 billion rials in the payment of employee wages.

The deputy from West Eslamabad said one of the budget's weaknesses is the lack of sufficient attention to the nation's agriculture. He said: The respected minister of agriculture said concerning our area: Your province has all the positive factors a region should have for agricultural investment. But what have they done? How much investment has been done there? With what

resources will the poor farmer occupy himself and his yearning for work? This is a place where we have no problem with regard to water, while the other provinces have problems. Our agricultural resources are good, but to what extent have they been investigated? We believe that it would be good if agriculture were valued more than this. If things are to continue as they are now, in the future there will be very little in the way of pesticides, fertilizers and other needed things available to farmers, or they will be available too late. Have we succeeded in this area?

Shibani, Deputy From Tehran, Supporter

Shibani, deputy from Tehran: The budget ceiling has been set well. If you raise this ceiling, it will not be in the interest of the nation, the people and the deprived. [passages omitted: Raising the budget ceiling will increase the inflation level, suggests belt-tightening in the public and private sectors, encourages more self-sufficiency and less importing of industrial goods.]

Dr. Shibani was the next supporter of the Budget Bill. During his talk he said: Fortunately in the budget that has been written, efforts were made to place more emphasis on the deprived areas and to expand development work, and if development work is expanded, it will bring down inflation. If the current expense budget goes up, inflation always goes up. Of course I have criticism, which I have expressed to Mr. Hashemi-Rafsanjani, and his view was that even if the Majles intends to lower the budget by ten percent, he would agree to it, but the Majles would have to take the responsibility.

He then said: If we raise the budget ceiling without any reason, you will gain nothing, and then we will also increase inflation. That is, the oppressed class, which we are always talking about supporting, will be devastated. Why are these high prices coming about? This foreign exchange we want to stabilize, one ought to say that it is worth 145 tomans. A 100-toman rate does not make the foreign exchange expensive. It is not this way. The government must be careful in this area. The fact that the government is subsidizing essential goods at the official foreign exchange rate, meaning the goods distributed by ration coupon, is a good thing. However, if we are going to spend the foreign exchange budget for other things, instead of strengthening development work, instead of making the infrastructure factories more active, we spend the money on work that is for ostentation and display. The offices may say that they want to repair the floors in their buildings with stone from our own mines, but this also costs. It has not even been two years since one of them repainted its building. You must stop this activity here. The government also looks favorably on this.

Mostafa Naseri, Opponent

The sixth opponent was Mr. Mostafa Naseri, deputy from Zanjan. [passages omitted: criticizes the antiquated methods used to develop the budget]

'Ali Movahedi-Saveji, Supporter

Movahedi-Saveji was the sixth supporter of the Budget Bill. [passages omitted: discusses pros and cons of new budget in very general terms]

Kamyar, Opponent

Kamyar, deputy from Urmia, was the sixth opponent of the 1372 National Budget Bill. During his speech he said: I will present my opposition in four categories, which are the following:

1. The failure to strengthen the supervision budget in the budget submitted to the Majles.

2. The dependence of most of the budget on oil.

3. Miscellaneous issues, which are seen as problems in the current budget.

4. The budget for government companies, banks and profit-making institutions affiliated with the government.

In the matter of agriculture, which is the essential foundation of domestic production in our country, what figure has the government established in this program for the agricultural sector? While all of the developed nations, as Mr. Jalali said, have allocated huge amounts of money, even $300 billion, as subsidies for the development and growth of agriculture, how much in the way of agricultural subsidies has been provided in this budget? To what degree will the banks be serving the agricultural sector?

The nation's banks now accept credentials, yet the credentials of farmers in the rural areas are absolutely unacceptable to them.

Will the Ministry of Energy again collect huge sums of money as a water price from farmers? He added: At a time when we are not meeting the basic needs of our nation's youth, and we cannot provide them with educational resources, and even marriage loans for them are either late or not paid at all, is it appropriate that we reduce the budget for physical training, for their minimum entertainment, meaning sports?

The speaker mentioned the weakness of the budget. He said: Fortunately, the Accounts Commission has proposed amendments and they have been accepted, but with regard to the Accounting Court they have been completely indifferent. The Accounting Court is an organization under the supervision of the Majles, and through the years it has endured many misfortunes. Due to the low salaries in this organization, it does not eliminate specialist manpower, but the number of its workers has also increased from 1,500 to 6,500, and unfortunately no steps have been taken to reform it. He mentioned the dependence of most of the budget on oil revenues.

Concerning the government companies, he said: According to the latest statistics from the Accounting Organization, out of 900 companies, only one-third are seen in the 1372 Budget Bill.

In the year 1371, 19 percent of all the capital expenses of the companies were procured out of development investment credits, yet this figure increased in 1372 to 25 percent.

Mohsen Kuhkan, Supporter

Mohsen Kuhkan, deputy from Lenjan, was the final supporter of the 1372 National Budget Bill. At the beginning of his talk he discussed the reasons for his support of the bill. He said:

1. Support for the Budget Bill does not mean support for the methods and stages of its preparation.

2. Support for the Budget Bill does not mean approval of all its rows and notes.

3. Support for the Budget Bill can rightly be said to be a position of general viewpoint, or better, a world view, and observance of the high interest of the Islamic Republic's system of values.

4. Support for the Budget Bill does not mean that the distribution of credits in the proposed bill is entirely based on acceptable and proper parameters.

In his talk he said that the establishment of a uniform foreign exchange rate is one of the prominent points in the Budget Bill, and in this regard he said:

1 - The elimination of Mafia-like networks, which have advanced 100 years in a day in these last few years of multiple foreign exchange rates. What wasn't done by the gangs and intermediaries that existed in some centers and places who were easily able to get 7-toman dollars for some equipment and then move it around from here to there? Everyone knows about the inflated amounts of money that went into their neighbors' pockets during these last few years. It is enough if we just mention one instance. In a purchase from a company in Turkey, a manager of banking affairs for the nation's banks made a purchase with the participation of the private sector and the bank, and another purchase by a government agent from that company. You may not believe that that purchase of [nails?] was made at a price difference of almost $400 per ton, and then here it was sold at two rates, one 285 rials, the other, by money order and imposed on agreements in principle, at 60 tomans per kilogram. The rug will be pulled out from under these gangs, who in this period of several years made huge sums of money from the multiple foreign exchange rates and converting the value of the 70-toman rial to 140 rials or less.

2 - The refining of managers.

3 - Putting the public's consumer culture into the hands of the people themselves.

4 - Stabilizing conditions for investment in the areas of production, making commerce sound, and creating proper competition.

5 - The very important matter of converting false demand to real demand.

In this regard, Kuhkan regarded the establishment of a uniform foreign exchange rate as being in the interest both of the people and of the nation.

He then continued his remarks and enumerated the positive points in the bill. In this regard he said:

1 - The necessary attention being given to real and collectible revenues.

2 - More attention to the ratio of development credits to current expense credits.

3 - Subsidy payments to procure basic goods and essential services.

4 - Increasing credits for the creation of employment and production.

5 - Increasing the price of electricity for those who use more than 750 kilowatts [kW] per month, and this good measure is in the budget. The Plan and Budget Commission came and said the price of the electrical power that we, the weak and third-floor classes, are using, will remain the same up to 750 kW, and we believe that those famous organizations do not have consumers. That is, there will be no pressure applied to the weak classes, but as soon as they want to use large amounts, what problem is there if they be charged at the cost of producing it? If he does not pay, we will have to pay a subsidy out of the public treasury of these same weak and deprived classes to this gentleman who is using these resources.

6 - Providing a series of credits and bank means for preparing and procuring land and housing for those who have sacrificed and former prisoners of war and procuring some student dormitories.

*** 24 Jan**

93AS0603A Tehran RESALAT in Persian 25 Jun 93 pp 5, 6

[Excerpts] Legislative and Parliamentary Affairs Division. The Majles held an open session yesterday and continued work on the examination of the 1372 [21 Mar 1993-20 Mar 1994] budget. Following the speeches of the supporting and opposing deputies and the government, the general points of the bill were put to a vote and ratified with a strong majority. In the afternoon and evening as well, the examination of the details of the bill continued. We call to your attention the details of the discussions.

Lotfollah Zare'i-Qanavati, Opponent

The fourth opponent of the budget bill was Lotfollah Zare'i-Qanavati, the deputy from Behbahan, who said:

Certainly all the actions of the programs are based on viewpoints and methods that are designed to make progress in the affairs of the country.

He stated the reason for his opposition as his belief that the budget is inflationary and that it puts pressure on most of the people and said: At the present time, many people are suffering because of inflation and high prices. The 30-percent inflation projected by the government for the next year will probably go higher.

Zare'i-Qanavati pointed out: The issue of creating a single rate foreign currency in the budget is also very inflationary. Since the beginning of the advertising on this issue, the effects of higher prices as well as the rate of foreign currency in the market were revealed. I do not know what policy and initiative has existed in this regard. The government could do this without advertisement or noise.

Pointing out that the budget of institutions and banks is larger than that of the government, the speaker pointed out: The report of the Accounting Office indicates that thousands of billions of rials in government investments in government companies have a negative return for the government. At the same time, despite the frequent emphasis on the national budget laws in the first Five-Year Plan, many of the government companies evade having their names and budget figures cited in the national budget. Now, about 1,000 government companies have been identified and recorded in Article 4 of the general accounting law, but the names of hundreds of companies have not been mentioned. This means that the national budget is not as transparent as it is said to be. [passages omitted on the specifics of the budget.]

Jalal Sadatian, Supporter

He explained the strong points of the 1372 budget bill and said: The government has tried, by balancing the budget, not to resort to borrowing from the Central Bank, which means not having a budget deficit after 25 years. The elimination of the foreign currency budget from the whole country is another proud aspect of the 1372 budget bill. Creating a single rate foreign currency will eliminate many of the economic, social, and even political problems, and in this connection a committee headed by the president is in charge of balancing the foreign currency market.

He added: One of the ways to develop nonoil exports is to eliminate foreign currency contracts, for which the necessary projections have been made in the 1372 budget.

Seyyed Reza Akrami, Supporter

Seyyed Reza Akrami, the deputy from Semnan, was another supporter. He pointed out that the work on the budget will be completed on 12 Bahman [1 Feb], but the work of legislation, planning, and the expression of opinions will continue, and said: We must place value on the cultural sector of the country, an important part of which, everybody admits, is related to the work force. I ask the opponents to make more suggestions rather than speaking in generalities. We should not be looking to place blame. After all, the government gives us the budget bill, and in the time that we have, we can in all fairness make all kinds of changes.

The wages have been stated as follows [as published].

In conclusion, he said: In Note 10, the sale of existing hospitals to the private sector has been cited. If we are moving towards building up the private sector, we must carry on the same policies, and we must also have supervision there.

Elyas Hazrati, Opponent

Elyas Hazrati was another opponent of the budget bill on the Sunday evening open session of the Majles. He announced his opposition to the creation of a single rate foreign currency and said: Government organizations, as customers for foreign currency, in order to have purchasing power and demands on the foreign currency market, are fed from two sources. First are the revenues that are stated in the budget, and second are funds and facilities that they receive from the bank. In the proposed government bill, we had a figure of about 7,712 billion rials in banking facilities, which the Planning and Budget Committee increased to 10,541 billion rials, an increase of 40 percent in cash flow.

He emphasized the change in the administrative structure and pointed out: My question is, What mechanism has been devised in the budget to maintain control over the rate of foreign currency? In the budget, what supports will be provided within the framework of the foreign currency rate change policy for the vulnerable strata? [passages omitted: discusses taxes, price control]

Hoseyni-Shahrudi, Opponent

Mr. Hoseyni-Shahrudi, the head of the Majles Economic Affairs and Finance Committee, was another opponent of the 1372 budget bill. He said: There is no policy making in our writing of the budget. In other words, you cannot see a precise plan for the next 30, 20, or 10 years in the country in order for us to know that we have started here today and we shall reach another point in a year and a further one in 10 years and achieve specific economic results.

See what percentage of the Five-Year Plan has been implemented. The gentlemen could not devise a program carefully for the plan to be specific in terms of starting at one point and reaching another.

See how much of the revenues projected in the Five-Year Plan has materialized and which of the years of the Five-Year Plan that we can say that at least 80 percent was carried out. Who must admit this deficiency?

Hoseyni-Shahrudi opined: We must change the name of the Plan and Budget Organization to the Budget Organization and not the Plan Organization, because, unfortunately, no planning is revealed in the budget, and all the promises that are given will not be implemented by more than 40 or, at most, 50 percent.

Hoseyni-Shahrudi added: In the budget bill, there are two headings, one is the revenue line and the other the expenditure line. This is one of the main problems of the budget in these years. You should not write the budget and revenue lines, you should write the capital and expenditure lines. In other words, in fact, we determine our expenditures from the sale of capital. Can we regard oil as a national revenue?

In continuation, in regard to tax revenues in the budget, Hoseyni-Shahrudi said: Two-thirds of these revenues are from oil. If we have no oil and if we have no imports, we will never have customs revenues. Many of the revenues that our companies today pay to the government as tax are for the imports that they engage in, which is done with the foreign currency obtained from the sale of oil. Hence, we can say that 80 percent of the revenues that we have included in the budget are not revenues but are capital that we sell. [passages omitted: criticizing lack of vision and long-range planning]

The head of the Majles Economic Affairs and Finance Committee continued: The best kind of budget is one in which revenues and expenditures are balanced. Next year's budget, in the opinion of all government experts, is not sufficiently balanced, and revenues do not conform to expenditures.

He continued: Unfortunately, another chapter has been opened in this budget. I support the creation of a single foreign currency rate, but I announce right here that as a deputy of the people, if the Central Bank wants from tomorrow to, God forbid, raise the rate of foreign currency with the authority that is provided for it whenever its revenues are not collected in order to make up for its revenues, one of the people who will begin to shout from this podium will be me.

If they see that revenues are not achieved and raise the foreign currency rate to 160 tomans or 200 tomans, this would be the best way to gain revenues, but what would happen to the society?

'Ali Mobayyeni, Supporter

'Ali Mobayyeni, the deputy from Shahr-e Kord, also was among the supporters of the 1372 national budget bill. He said: An examination of the general goals of the First Economic, Social, and Cultural Developmental Plan of the Islamic Republic of Iran shows that the use of unused capacities, the increased production, the balance between supply and demand of goods, the reduction of the government budget deficit, the balance between revenues and expenditures, the increase in national production and per capita income, the creation of economic balances, and the allocation of resources are among its most important points. [passages omitted: discusses various aspects of budget in general terms]

Mohammad Reza Bahonar, Opponent

The next opponent was Mohammad Reza Bahonar, the deputy of the people of Tehran, who mentioned the most important characteristic of the 1372 budget as the imposition of new policies, including the creation of a single foreign currency rate, and said: The policy of creating a single foreign currency rate has great advantages, but in order to reach desired results, we have to impose other policies simultaneous with the imposition of the policy of a single foreign currency rate.

The most essential policy in the imposition of a single foreign currency rate, considering that the largest consumer and producer of foreign currency is the government, must be the protection of the national currency, that is, the rial. Regulating this price is only possible in a few ways.

1. Weakening the foreign currency in the market to the extent that its value is balanced with the available cash flow in the society.

2. Controlling the cash flow and rial expenditures and funds.

He added: Although the government has brought borrowing in the budget of this year to zero, we know that over the past 13 years it has accrued a debt of more than 15,000 billion rials to the Central Bank. The main cause of inflation is this accumulated borrowing. This year, under the pretext of creating a single foreign currency rate, unfortunately, about 80 percent has been added to the current budget of government organizations. Of course, compared to the current expenditures, the developmental expenditures are improving, but with more attention this trend must be expedited.

Bahonar referred to the issue of waste in government organizations and said: The daily consumption of more than 7 million liters of gasoline by government organizations is certainly not necessary and unavoidable, and the current budget of organizations must be more controlled.

He then referred to the control of the price of foreign currency and the increase in the cash flow with regard to banking credit and pointed out: Next year, the banks will grant more than 11 billion rials in credit, and only government companies have set their budgets with the expectation of acquiring nearly 4,000 billion rials in credit from banks.

In short, the banking credit next year will have three main disadvantages, which are: (1) increased cash flow at the level of at least 30 percent and at most 40 percent and the creation of inflation between 20 and 30 percent; (2) the large share of the government in these banking

credits; (3) the continuation of a recession in nongovernmental sectors, and consequently increased inflation in the government sector and the nongovernment sector going into debt.

The deputy from Tehran then emphasized the protection and control of the balance of the purchasing power of the people and the government alongside the creation of a single foreign currency rate and stated explicitly: With the increase in the rate of foreign currency, the average of which has been 300 rials, at a figure of about 1,400 rials, the value of the national currency will be more realistic. Now, how can the purchasing power of the nongovernmental sector be compensated for, which has been reduced to less than half in making the foreign currency rate realistic?

He continued: The trend of privatization is slow, even stagnant. The issue of the stock market could not and cannot be an appropriate level for transfer. In privatization, the government must not create secondary goals, goals such as revenue deficit, and forget the main policy of transfer. Unfortunately, the developmental budget of the country, despite its percentage of growth in the national budget, is spent in a very scattered manner. The officials of the Plan and Budget Organization claim that 15 years is required to complete all the existing developmental projects. If this is true, this is a very negative point, and this problem must be solved as soon as possible.

Even though the Planning and Budget Committee has imposed small changes in the cultural sector, I must say in all fairness that this action is not a response to the leader of the revolution in connection with the cultural invasion. Unfortunately, the committee has reduced the budget of the Ministry of Guidance somewhat.

Hashem Rahbari, Supporter

The last supporter of the budget bill was Hashem Rahbari, the deputy from Tehran, who first said: We must not be absolutists in looking at the budget. We must see how successful or unsuccessful we have been in regards to what can be done, what the results are, and we must also take the conditions of the country into consideration, evaluating the totality of the political, economic, and cultural conditions to see whether or not positive steps have been taken. [passages omitted: discusses self-sufficiency, lowering inflation rate, etc.]

Statements of Rowghani-Zanjani

Mas'ud Rowghani-Zanjani, the head of the Plan and Budget Organization, pointed out: In the 1372 budget, the policy of economic modification will not be implemented fully. Rather, we have done some accounting. Also, the rate of government monopoly of goods and services has been frozen.

Emphasizing that "revenues and expenditures conform to the plan," he said: All projects have been carried out, and in the 1372 budget bill, almost no new projects have been added.

Concerning the stock market and privatizing, Rowghani-Zanjani emphasized: In the 1372 budget, we have taken steps in connection with the stock market, privatization, and reform of the organizations. These issues must be determined elsewhere, and we must all cooperate. The change in the bureaucratic system requires national will, and the emotions of many employees will be provoked as a result of this action. Essentially, the reform of the administrative structure is not related to the budget. When the Majles creates new organizations and requires the Plan and Budget Organization to allocate a line to them in the budget, this is out of our hands. This issue is also related to prior to and after the Islamic revolution. The problem is not in the structure and categorization of the budget. The problem is elsewhere. The organizations must be discussed separately. The head of the Plan and Budget Organization considered 1372 an important year because it is the final year of the First Developmental Plan and said: If we want to start the Second Plan, the situation with foreign currency must be clarified and the basis of the budget more specific.

He added: In order to prevent the increase in foreign obligations, less than the rial equivalent of the foreign currency that was placed at the disposal of organizations has been set for 1372. In 1371 [21 Mar 1992-20 Mar 1993], $12.5 billion was distributed among the organizations, and for next year this amount is set at $8.3 billion. But these figures were not greatly reflected, because the numbers were multiplied by 70 rials to the dollar, and now the difference of 1,000 to 1,450 rials (Note 22) is multiplied, showing a large figure.

He considered the 1372 budget bill as lacking inflationary effects and said: The rate of services and goods of government companies, such as the oil company, which offers petroleum products, and the Ministry of Energy, which offers water and electrical services, are fixed in 1372 as the most important companies, whose services will have great effects on the expenditures of families. Also, the foreign currency budget for essential goods will be based on 70 rials to the dollar, and the amount of subsidies has increased from 900 billion rials to 1,600 billion rials for next year.

He said: On the one hand, the Ministries of Petroleum and Energy are told not to raise the prices, and on the other, we oblige them to carry out projects when they have no resources and limited government aid. Whenever there are shortages, we question them. The Majles must make a decision about the projects. For example, if the projects are to be stopped, then there will be no requests to the banks.

Concerning the government guarantee in regard to banking facilities, he pointed out: A part of this guarantee concerns the government companies and other

concerns of the people that did not exist in the past years at all. In fact, in 1372, the government will pay a part of the banking service charges that are collected from the private sector.

Pointing out that the "foreign currency balance next year will be more positive, by $4 billion," he said: In the distribution of the budget, the population indexes, area, and combination of these two is the issue. What is certain is that the indexes must become equal and conform to the issue. For instance, the distribution of the water and soil budget in the desert is not properly based on area. In the desert, the distribution of the budget becomes significant on the basis of forests and pastures [sentence as published].

He pointed out: The projects that are under way, such as the Pishin Dam, must be infused with money. The same is true with regard to roads and ports.

In response to the question of one of the deputies—"Why out of 1,000 government companies have only 400 units been mentioned in the 1372 budget bill?"—he said: The accounting organization has announced the number of government companies to be 1,000 units and has also announced the Foundation for the Oppressed as among these companies. We denounce this number of government companies. In the budget bill, only the main companies are mentioned, such as the Steel Company and the Organization for the Expansion and New Construction of Industries, which have numerous subsidiary companies. But if there are government companies whose names are not mentioned in the bill, please identify them, so that steps can be taken.

Concerning the level and price of oil exports in 1372, he said: At the present, 2.6 million barrels of oil are exported, whereas last month 2.55 million barrels were exported. Hence, next year, it is possible to export 2.7 million barrels. In regards to the price of $17 and $16.8 (proposed by the committee), expert examination has been made, and it is achievable. Of course, given the political equations, we cannot determine a precise number.

Concerning transfers, Mas'ud Rowghani-Zanjani pointed out: In order to transfer the affairs to the people, we must create a secure climate and expedite the trend. Of course the Majles and the deputies are right to ask questions in regards to the aluminum factory, which the government is transferring. In connection with the transfer, three methods of stocks, bidding and negotiations are set by the government. Considering the authority that is given to the minister, he can also use the method of negotiation.

Statements of Dr. 'Adeli

Dr. 'Adeli also spoke as the representative of the government and the director general of the Central Bank in defense of the 1372 budget bill and said: The national currency of the country, which had lost its credibility for years due to the war and various problems, will have new life with this policy of the Majles to have it take its role as a standard of value from now on.

The foreign currency budget that in the past years was one of the characteristics of the national budget had resulted in the foreign currency resources of the country being spent by organizations independently, without any special coordination. Any organization felt that it had the authority to use its foreign currency budget as it saw fit.

Criticizing the replacement of the national currency (rial) in the country with a single-rate foreign currency, he said: At the present, unfortunately, there is a custom that must be eliminated. Before, if you asked someone how much he needed, he would say $500 million.

Dr. 'Adeli offered his congratulations concerning the revocation of the foreign currency budget, which is the harbinger of an important role for the national currency, and said: The creation of a single foreign currency rate will cause the national currency to become dominant and also positively affect national productivity. In any case, when you allocate rial funds instead of foreign currency to various organizations and ministries, before these ministries contemplate purchasing equipment from other countries, they certainly will think about domestic products.

He added: This year there are many organizations that have come to me and asked that their requested foreign currency be calculated at the floating rate and after receiving rials to purchase their needed equipment domestically. We hope next year, with the budget of the organizations set in rials, we will witness our organizations helping domestic goods thrive instead of helping foreign factories, with their demand for domestic goods. The director general of the Central Bank then said in regards to the balance of payments and the foreign currency balance of the country: In the Five-Year Plan, in the first three years, it was projected that we would increase foreign currency spending and have less foreign currency revenues. In other words, the balance of payments in the Five-Year Plan was viewed over a period of five years and not annually. For this reason, in the first, second, and third years, we had some discounts, and in the fourth and fifth years, we will have this as a surplus, which we will spend, God willing, on making up for the deficit in payments of the first three years. The start of the construction of the country in the beginning of the post-war years required making new investments and later as a result of these investments having revenues.

The representative of the government, referring to the monetary policy, said: In a budget, when you propose expenditures, you also think about revenues, on the other hand. But when the issue is bank credit, you ask yourself, if you propose to make this 700 billion 1,000 billion, where will it come from? When you give orders and ratify the allocation of banking credit to some stratum, where is the revenue source for this allocation? Is it not that you hope a group of bankers in the country

will think about encouraging the people to increase savings and allocating the funds from the profit?

Emphasizing national savings in the country by the people in the banks, he said: If we are unable to raise the national savings in the country during the construction period, we shall not be able to create the necessary resources for investments.

Fortunately, since 1368 [21 Mar 1989-20 Mar 1990] savings in banks have doubled. Of course, we were able to make more facilities available to the people. The remainder of our facilities in 1368 was 7,000 billion rials, which has increased today to about 20,000 billion rials. He added: Usually, one of the indexes of national savings and the operation of the banks is the collection of national savings in proportion to the currency and coins printed and in the hands of the people. In 1368, 23.5 percent of the money people had at their disposal was in cash. By the end of Shahrivar 1371 [22 Sep 1992], we reduced this to 13.3 percent.

The director general of the Central Bank then emphasized: In the government bill, we discussed that the shadow of the financial policies must finally be removed from the monetary policies. I say that the assignment of these duties by the Majles is precisely like the foreign currency budget. In the same way that you must abolish the foreign currency budget, there should come a time when these monetary budgets must also be eliminated in the budget [sentence as published]. A budget is correct that has specific revenues for every expenditure rather than making expenditures from sources that people are supposed to pay.

Stating that if 33 percent is added to the cash flow in the country, inflation will increase by about 30 percent, he said: If you want to decide to vote for the numbers that are dictated to the banks in the budget, you must know that you have voted for 30 to 33 percent. Now, considering that you have also increased it by 3,000 billion rials as well, we have calculated that it has reached 40 percent. In other words, if the added figures in this proposal are ratified, they mean two things: (1) You have voted for 40-percent inflation and cash flow, (2) None of the other bank branches will have money to give to the people. We do not say that you should ratify whatever the government proposes. No, you can change the priorities keeping the same ceiling.

In conclusion, he asked the deputies not to vote for the proposal to add to the obligation of banks and be satisfied with the ceilings in the 1372 government budget.

It is interesting that after the speech of Dr. 'Adeli, the general points of the 54,000-billion-rial national budget were put to a vote and ratified with a strong majority vote.

The Views of the Supporters and Opponents of the 1372 Budget Bill

Supporters

1. One of the characteristics of the budget bill is that the foreign currency for government organizations is one rate.

2. The ceiling for developmental budgets has been increased in the bill.

3. In the 1372 budget, special attention is paid to the completion of incomplete projects.

4. If the 1372 budget bill changes and increases, inflation will also increase.

5. The actual revenues and foreign obligations will also decrease by the end of 1372 [20 Mar 1994; as published].

6. In the bill efforts are made not to place pressure on the banking system.

7. In this bill, the government is made responsible for stabilizing the prices.

8. There is a balance between revenues and expenditures.

9. The revenue figures in the budget bill are realistic.

Opponents

1. What we will now spend in the 1372 budget is derived through borrowing.

2. The 1372 budget is devised unrealistically.

3. Priority is not given to the agricultural sector.

4. There is no policy making in writing the budget.

5. There is no balance between revenues and expenditures.

6. Under the pretext of creating a single foreign currency rate, the current budget of government organizations is increased by 80 percent.

7. The current budget of government organizations has not been controlled well.

8. The Planning and Budget Committee has reduced the budget of the Ministry of Guidance somewhat.

9. One of the negative points of the bill is that two-thirds of the revenues are from oil.

* Election, Other Bills Approved by Majles

LD2102125193 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT 21 Feb 93

[Excerpts]

[Announcer] The Majles held an open session today. In this session a number of amendments and bills, including the amendment to Article 16 of the Majles Election Law, were approved. Our parliament correspondent reports:

[Correspondent] [passage omitted] According to this single clause amendment, midterm elections of the fourth term of the Majles in the Abadan, Khorramshahr, Qasr-e Shirin, Mehran, Dehloran, and Dasht-e Azadegan constituencies in the boundaries of the cities of the provinces of that constituency—in which at least 100 households of war refugees are residing—will take place. [sentence as heard] [passage omitted on approval of bills on land ownership documents, tax exemption for navy personnel in certain cases, abolition of stamp duty for students residing abroad]

[Announcer] Our correspondent's report indicates that in today's open session of th Majles, the report of the Post, Telegraph, and Power Committee rejecting research and investigation into the blaze in the depot of the Communications Company in Shiraz was debated; and following a vote of approval by the deputies, it was decided that the task of research and investigation in this matter will continue.

The request of several deputies to refer the bill on Islamic punishment—corporal punishment section—to the Legal Committee of the Majles based on Article 85 of the Constitution was debated and rejected.

In this session, Mohammad Hadi Nejad-Hoseinian, the minister of heavy industries, answered two deputies' questions on the sale of 67 percent of the shares of the Navard Aluminium Company of Arak, the pricing and sale of the company and the introduction of its purchaser. The question was referred to the relevant committee for further investigation.

* Deputies Seek To Interpellate Sa'idi-Kia Over Air Crashes

LD2302115393 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT 23 Feb 93

[Excerpts]

[Correspondent] The text of a request for the interpellation of the minister of roads and transport, signed by 40 deputies, was read out in today's open Majles session. The signatories, referring to Article 89 of the Constitution and Articles 150 and 151 of the Majles' internal regulations and citing 11 reasons, have called for the interpellation of Mr. Sa'idi-Kia, the minister of roads and transport. The reasons include: failure to use the country's available resources to establish air safety; the crash of a passenger plane on 19 Bahman [8 February] as well as the crash of a plane hired by the Petrochemical Company and the death of all the occupants of the two planes; the reasons behind unjustifiable changes brought about in the management of the Islamic Republic of Iran's airline [Iran Air] and the country's Civil Aviation Organization; the crash of a passenger train in Lorestan Province and the crash of a Mashhad-Tehran train in Varamin and the death of a number of the trains' staff.

[Announcer] According to the internal regulations of the Majles, an interpellated minister has 10 days to respond to the deputies. Let me draw your attention to the rest of our correspondent's report about the measures approved by the Majles today.

[Correspondent] [passage omitted] The bill for the amendment of Iran's presidential election law was submitted to the Majles with a double urgency; the double urgency was approved by the deputies. In addition, the government's request to withdraw the bill relating to the employment status of civil servants who were martyred, disabled, or missing in action as a result of the Islamic revolution and the imposed war was raised and, meeting with opposition from the deputies, was not approved. In today's open session, the PTT [Post, Telegraph and Transport] minister responded to a question from the deputy for Mah-Neshan about the approved scheme for the installation of private telephones and the question was referred to the relevant commission for further investigation.

* Land Bill Referred to Expediency Discernment Council

LD2802194693 Tehran IRIB Television First Program Network in Persian 1530 GMT 28 Feb 93

[Excerpts] A final decision on the double urgency bill concerning the impossibility of revising the rulings governing the seven-member land allocation teams and its central headquarters, concerning land that is under temporary cultivation, which was returned for the second time from the Guardian Council to the Majles, has been left to the Expediency Discernment Council. [passage omitted]

The bills concerning the authority and duties of the head of the Judiciary Branch, the protocol on protection of the maritime environment against pollution from sources that have their origin on land, the amended protocol of the Izmir Treaty, and the bill on removing one note and adding several others to the internal regulations of the Majles, all of which had been returned by the Guardian Council, were debated at today's Majles session and the ammendments to them were passed.

According to our correspondent, the minister of education and training presented himself at the Majles today and replied to questions put to him by the deputy for

Saqqez and Baneh about the performance of the Educatica Board of Kordestan province. The question was sent to the relevant committee. [passage omitted]

* Deputies Urge Expediency Council Ruling on Land Bill

LD0303122593 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT 3 Mar 93

[Excerpt] [Passage omitted] A letter was read out in today's Majles session addressed to the president and signed by 140 deputies. Calling on [President] Hashemi-Rafsanjani, the head of the Expediency Discernment Council, to take into account the importance of agriculture and the need for security and stability in agriculture, the letter asks the Expediency Discernment Council to give out of turn priority to the draft bill calling for the cancellation of the judgments of the Administrative Court of Justice concerning lands under temporary cultivation. [Reference to ruling by Administrative Court of Justice authorizing return of some confiscated lands back to original owners; in retaliation the Majles passed a bill calling for cancellation of the judgments; this bill was vetoed by the Councilof Guardians]